

<i>SERFF Tracking Number:</i>	<i>SFMA-127837284</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Fire and Casualty Company</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>	<i>MH-28331</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0002 Mobile Homeowners</i>
<i>Product Name:</i>	<i>MH-28331</i>		
<i>Project Name/Number:</i>	<i>MH-28331/MH-28331</i>		

Filing at a Glance

Company: State Farm Fire and Casualty Company

Product Name: MH-28331

SERFF Tr Num: SFMA-127837284 State: Arkansas

TOI: 04.0 Homeowners

SERFF Status: Closed-Filed

State Tr Num:

Sub-TOI: 04.0002 Mobile Homeowners

Co Tr Num: MH-28331

State Status:

Filing Type: Rate/Rule

Reviewer(s): Nancy Horton, Becky Harrington

Authors: Richard Haberer, Julie Davis, Robin Dunagan

Disposition Date: 12/06/2011

Date Submitted: 11/18/2011

Disposition Status: Filed

Effective Date Requested (New): 03/15/2012

Effective Date (New): 03/15/2012

Effective Date Requested (Renewal): 05/01/2012

Effective Date (Renewal): 05/01/2012

State Filing Description:

General Information

Project Name: MH-28331

Status of Filing in Domicile: Not Filed

Project Number: MH-28331

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 12/06/2011

State Status Changed:

Deemer Date:

Created By: Robin Dunagan

Submitted By: Robin Dunagan

Corresponding Filing Tracking Number:

Filing Description:

We respectfully submit a revision to our independent Manufactured Home Program. The change results in no rate level change. Details of this change are described in the attached Filing Memorandum and supporting exhibits.

The rate level changes contained in this filing specifically consider the expected effect that any prior changes in policy language will have on our future underwriting experience.

We see no positive or negative impact of our rates on the affected fire departments.

We submit this filing to be effective March 15, 2012 for new business and May 1, 2012 for renewals.

SERFF Tracking Number: SFMA-127837284 State: Arkansas
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 Company Tracking Number: MH-28331
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: MH-28331
 Project Name/Number: MH-28331/MH-28331

Sincerely,

Kathy Popejoy, F.C.A.S., MAAA
 Actuary and Assistant Secretary-Treasurer
 (309) 766-2325
 kathy.popejoy.a0gq@statefarm.com

Meg Astudillo
 Pricing Manager
 (309) 766-9455
 meg.astudillo.no5i@statefarm.com

Company and Contact

Filing Contact Information

Meg Astudillo, meg.astudillo.no5i@statefarm.com
 One State Farm Plaza 309-766-9455 [Phone]
 Bloomington, IL 61710 309-766-0225 [FAX]

Filing Company Information

State Farm Fire and Casualty Company CoCode: 25143 State of Domicile: Illinois
 1 State Farm Plaza Group Code: 176 Company Type:
 Bloomington, IL 61710 Group Name: State ID Number:
 (309) 735-0649 ext. [Phone] FEIN Number: 37-0533080

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100 for an independant rate filing
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Fire and Casualty Company	\$100.00	11/18/2011	53904695

SERFF Tracking Number:	SFMA-127837284	State:	Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	12/06/2011	12/06/2011

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	11/30/2011	11/30/2011	Robin Dunagan	12/06/2011	12/06/2011

SERFF Tracking Number: SFMA-127837284
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State: Arkansas
State Tracking Number:
Sub-TOI: 04.0002 Mobile Homeowners

Disposition

Disposition Date: 12/06/2011
Effective Date (New): 03/15/2012
Effective Date (Renewal): 05/01/2012
Status: Filed
Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
State Farm Fire and Casualty Company	1.900%	0.000%	\$0	8,304	\$6,187,320	33.000%	-22.000%

<i>SERFF Tracking Number:</i>	<i>SFMA-127837284</i>	<i>State:</i>	<i>Arkansas</i>
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
Supporting Document	Filing Memorandum	Filed	Yes
Rate	Manual Pages	Filed	Yes

SERFF Tracking Number: SFMA-127837284 State: Arkansas
Filing Company: State Farm Fire and Casualty Company State Tracking Number:
Company Tracking Number: MH-28331
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MH-28331
Project Name/Number: MH-28331/MH-28331

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 11/30/2011

Submitted Date 11/30/2011

Respond By Date

Dear Meg Astudillo,

This will acknowledge receipt of the captioned filing.

Objection 1

- NAIC loss cost data entry document (Supporting Document)

Comment: Provide the number of insureds receiving between 20% and the maximum increase of 33%. How many insureds are impacted by the increased minimum premium?

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

SERFF Tracking Number: SFMA-127837284 State: Arkansas
Filing Company: State Farm Fire and Casualty Company State Tracking Number:
Company Tracking Number: MH-28331
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MH-28331
Project Name/Number: MH-28331/MH-28331

Response Letter

Response Letter Status Submitted to State
Response Letter Date 12/06/2011
Submitted Date 12/06/2011

Dear Becky Harrington,

Comments:

Dear Becky Harrington,

Response 1

Comments: Approximately 140 policies are estimated to receive between a 20% and 33% increase. We expect only 2 policies will be impacted by the minimum premium change.

The main factors contributing to increases greater than 20% are the amount of insurance and deductible changes. 99% of policies seeing an increase greater than 20% have a \$1,000 or \$2,000 deductible, and 96% have an amount of insurance less than \$30,000. Decreases to Park Class 2, Model Year Rating, and the Manufactured Home 369 Discount also contribute to the maximum rate change, since customers that do not receive these decreases will see a base rate increase to offset the changes.

Related Objection 1

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

Provide the number of insureds receiving between 20% and the maximum increase of 33%. How many insureds are impacted by the increased minimum premium?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Meg Astudillo
Pricing Manager

<i>SERFF Tracking Number:</i>	<i>SFMA-127837284</i>	<i>State:</i>	<i>Arkansas</i>
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Sincerely,
Julie Davis, Richard Haberer, Robin Dunagan

SERFF Tracking Number: SFMA-127837284
Filing Company: State Farm Fire and Casualty Company
Company Tracking Number: MH-28331
TOI: 04.0 Homeowners
Product Name: MH-28331
Project Name/Number: MH-28331/MH-28331

State: Arkansas
State Tracking Number:
Sub-TOI: 04.0002 Mobile Homeowners

Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	01/01/2008
Filing Method of Last Filing:	File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
State Farm Fire and Casualty Company	1.900%	0.000%	\$0	8,304	\$6,187,320	33.000%	-22.000%

<i>SERFF Tracking Number:</i>	<i>SFMA-127837284</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Project Name/Number:</i>	<i>MH-28331/MH-28331</i>		

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 12/06/2011 Manual Pages		See Attached	Replacement	AR MH Eff 03-15-12 Operation Manual.pdf

SUMMARY OF REVISIONS

The following table summarizes the changes contained in this revision.

Item	Description
Zone/Subzone	Introduced subzone assignments.
Base X Factor	Introduced Base X Factor Rating. Base rates and factors replace precalculated premiums.
Model Year Rating Plan	Model Year Rating Plan adjustments are revised. Added an example for the model year calculation to the Inflation/Replacement Cost rules.
Roof Surfaces - Impact Resistant	Roof Surfaces - Impact Resistant rule is clarified.
Manufactured Home 369 Discount	Manufactured Home 369 Discount adjustments are revised.
Manufactured Home Alert Protection	Discount added: Fire Alarm Reporting to Fire Department or Central Station. Adjustments are revised.
Optional Coverages	Optional Coverages are revised to no longer vary by deductible. Revised premiums for Jewelry and Furs, Firearms, Silverware and Goldware, Coverage B - Increased Limits, Increased Limits Dwelling Extension - Other Structures, Dwelling Extension - Off Premises Structures, Home Computers, Business Property, Incidental Business, Business Pursuits, Personal Injury, Nurses' Liability, Waterbed Liability and Child Care.
Structural Stability	Eliminated the Structural Stability credit.
Medical Payments	Introduced \$10,000 medical payment limit. The \$4,000 limit is no longer available for new business.
Occupancy	Revised rating by Occupancy.
Deductibles	Deductible adjustments are revised. Introduced \$5,000 deductible option. Also removed maximum dollar discounts.
Minimum Premium	Minimum premium increased to \$170.
Park Class	Park Class rating adjustment is revised.
Solid Fuel Appliance Charge	Introduced Solid Fuel Appliance Charge.

Throughout this manual, ***bold italics*** font indicates information that is not displayed in the Agents manual.

RULES

The rules, rates and premiums in this manual govern the writing of Manufactured Home policies. The rules and rates filed by or on behalf of the Company for each coverage shall govern in all cases not specifically provided for in these rules.

CANCELLATION

When a policy is cancelled, the annual premium that applies to the policy period multiplied by the pro rata factor is returned to the insured.

Calculate the pro rata factor as follows:

- A. Compute the number of days left in the annual term until the policy expires (for example, 122 days).
- B. Divide the number of days by 365 (days in a year) and round to 3 decimal places. This produces the pro rata factor. A few examples may help:

Number of Days	Divided By	Pro Rata Factor
360	365	0.986
240	365	0.658
122	365	0.334
73	365	0.200
34	365	0.093

ELIGIBILITY

Several types of occupancy are permitted:

- A. Occupied by owner - used principally for private residential purposes
- B. Rented to others
- C. Seasonals/Secondaries

The manufactured home can house one or two families, but cannot have more than two roomers or boarders. The term "owner" includes persons purchasing a manufactured home, such as under a lien agreement or contract of sale.

Note: If rental exists, attach: Rented Manufactured Home Endorsement, FE-7437

MID-TERM CHANGES

Changes that affect coverage or a risk characteristic used in rating the policy may be made during the policy term, unless otherwise stated in this manual. Mid-term changes to take advantage of a new discount or charge or a rate or classification change implemented by the company during the policy term are not permitted.

If a different premium is required for the remainder of the current policy term, the additional or return premium is to be computed pro rata unless otherwise stated in this manual.

MINIMUM PREMIUM

The annual minimum premium per policy is shown below:

Minimum Premium
\$170

OTHER INSURANCE

Other insurance covering the same property is permitted only when the other insurance is for perils not covered by the Manufactured Home policy.

POLICY PERIOD AND PREMIUM PAYMENT

All premiums and rates shown in this manual are on an annual term basis. All policies are initially written for a one year term and are then automatically renewed annually. The rates on renewals will be those rates in effect at that time.

PREMIUMS FOR LOWER AMOUNTS

For Occupancies other than Seasonal/Secondaries, the Risk Amount Factor for amounts below \$8,000 is the same as the Seasonal/Secondary Risk Amount Factor.

RESTRICTION OF COVERAGE

The named insured can request a restriction on an individual policy. The circumstances or exposure must be so unusual that without the restriction the policy would not be issued. No reduction from the prescribed rate and minimum premium is allowed. Refer each request to the Company.

ROUNDING OF PREMIUMS

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

TRANSFER

Transfer of the policy to another location within the state is allowed, provided the new location meets underwriting requirements. Limited coverage is provided while the manufactured home is in transit.

Transfers are subject to any necessary adjustment of premium.

ZONES

This section provides the rules for the assignment of the zone and subzone.

ZONE DEFINITIONS

Refer to Company for ZIP Codes not listed.

ZIP Code	County	Zone	Subzone
All	ARKANSAS	14	10
All	ASHLEY	17	10
All	BAXTER	10	10
All	BENTON	10	10
All	BOONE	10	10
All	BRADLEY	14	10
All	CALHOUN	14	10
All	CARROLL	10	10
All	CHICOT	17	10
All	CLARK	14	10
All	CLAY	16	10
All	CLEBURNE	11	10
All	CLEVELAND	14	10
All	COLUMBIA	14	10
All	CONWAY	11	10
All	CRAIGHEAD	16	10
All	CRAWFORD	10	10
All	CRITTENDEN	21	10
All	CROSS	19	10
All	DALLAS	14	10
All	DESHA	17	10
All	DREW	17	10
All	FAULKNER	11	10
All	FRANKLIN	10	10
All	FULTON	13	10
All	GARLAND	10	10
All	GRANT	14	10
All	GREENE	16	10
All	HEMPSTEAD	14	10
All	HOT SPRING	14	10
All	HOWARD	14	10
All	INDEPENDENCE	13	10
All	IZARD	13	10

ZONES

ZIP Code	County	Zone	Subzone
All	JACKSON	16	10
All	JEFFERSON	14	10
All	JOHNSON	11	10
All	LAFAYETTE	14	10
All	LAWRENCE	16	10
All	LEE	19	10
All	LINCOLN	14	10
All	LITTLE RIVER	14	10
All	LOGAN	10	10
All	LONOKE	14	10
All	MADISON	10	10
All	MARION	10	10
All	MILLER	14	10
All	MISSISSIPPI	19	10
All	MONROE	19	10
All	MONTGOMERY	10	10
All	NEVADA	14	10
All	NEWTON	11	10
All	OUACHITA	14	10
All	PERRY	10	10
All	PHILLIPS	14	10
All	PIKE	14	10
All	POINSETT	19	10
All	POLK	10	10
All	POPE	11	10
All	PRAIRIE	14	10
All	PULASKI	14	10
All	RANDOLPH	16	10
All	ST FRANCIS	19	10
71909	SALINE	10	10
All Other	SALINE	14	10
All	SCOTT	10	10
All	SEARCY	11	10
All	SEBASTIAN	10	10
All	SEVIER	14	10
All	SHARP	13	10
All	STONE	11	10
All	UNION	14	10
All	VAN BUREN	11	10
All	WASHINGTON	10	10
All	WHITE	11	10

ZONES

ZIP Code	County	Zone	Subzone
All	WOODRUFF	11	10
All	YELL	11	10

ZONE/SUBZONE ASSIGNMENT

For ZIP Codes not listed on the Zone/Subzone definition pages, the following rules apply in the assignment of the zone and subzone. Refer to Home Office for administration of these rules.

- A. A ZIP Code or geographic area omitted from the Zone/Subzone definition pages will be assigned to the lowest rated contiguous zone and subzone.*
- B. If a new ZIP Code is created, it will be assigned to the lowest rated zone and subzone of the ZIP Codes that formerly constituted the new ZIP Code's geographic area, subject to a 15% policy distribution minimum.*
- C. When an existing ZIP Code boundary changes, policies will be assigned to the zone and subzone of their revised ZIP Code.*

MANUFACTURED HOMES

This section provides details on coverages and rating for the Manufactured Homes policy, including the information necessary to develop the basic premiums.

COVERAGES AND AMOUNTS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Dwelling	Actual Cash Value of the described Manufactured Home.
	Dwelling Extension: Other structures on premises	10% of Coverage A amount.
Coverage B - Personal Property	Personal Property	75% of Coverage A* (5% for Rentals) Increased Limits Available
	Type of Personal Property:	Special Limit:
	Computers and Equipment	\$5,000
	Money, Bank Notes, Coins	\$200
	Property used in a business	\$1,000 on premises (\$250 off premises)
	Securities, Accounts, Deeds	\$1,000
	Watercraft and Equipment	\$1,000
	Trailers not used with Watercraft	\$1,000
	Jewelry and Furs (Theft)	\$1,000
	Stamps, Trading Cards and Comic Books	\$2,500
	Firearms (Theft)	\$2,500
	Area Rugs (Theft)	\$10,000 (\$5,000 per item)
	Silverware and Goldware (Theft)	\$2,500
Coverage C - Loss of Use		Actual Loss Sustained
	Additional Living Expenses	- within 24 months
	Fair Rental Value	- within 12 months
Additional Coverages	Arson Reward	\$1,000
	Collapse	
	Credit Card and Forgery	\$1,000
	Debris Removal	
	Fire Department Service Charge	\$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit

MANUFACTURED HOMES

Coverages	Details	Minimums or Amounts
	Temporary Repairs	
	Tree Debris Removal	\$500
	Trees, Shrubs and Other Plants	5% of Cov. A (\$500 per item)
	Volcanic Action	

*A \$4,000 minimum applies **except for** Seasonals/Secondaries and Rentals.

B. Section II - Liability Coverages

Coverages	Details	Minimums or Amounts
Coverage L - Personal Liability	Includes Comprehensive Personal Liability	\$100,000 Minimum Other Limits are available.
Coverage M - Medical Payments to Others		\$1,000 Limit Other Limits are available.
Additional Coverages	Damage to Property of Others	\$500
	Claim Expense	
	First Aid Expenses	

LOSSES INSURED

Damage to insured's property is covered under Section I of the policy. There are three coverages under Section I.

- Coverage A - Dwelling
- Coverage B - Personal Property
- Coverage C - Loss of Use

Listed below are the losses that are insured:

Losses Insured	Protection Provided	
	Coverage A & C	Coverage B
Fire or Lightning	Accidental Direct Physical Loss (with certain exclusions)	Yes
Windstorm or Hail		Yes
Explosion		Yes
Riot or Civil Commotion		Yes
Aircraft		Yes
Vehicles		Yes
Smoke		Yes
Vandalism or Malicious Mischief		Yes
Breakage of Glass		Yes
Theft		Yes
Falling Objects		Yes
Weight of Ice, Snow or Sleet		Yes
Accidental Discharge of Water or Steam		Yes
Sudden, Accidental Tearing etc. of Water Heating Systems or Appliances		Yes

MANUFACTURED HOMES

Losses Insured	Protection Provided	
	Coverage A & C	Coverage B
Freezing of Plumbing		Yes
Damage from Artificially Generated Electricity		Yes

RATING

A. Determine the basic premium.

1. Determine the Coverage A amount by using the Actual Cash Value of the manufactured home. (If replacement cost coverage is desired, the Coverage A amount must be equal to at least 100% of the current model year value.)
2. Use the correct zone according to the location of the manufactured home.
3. Use the correct subzone according to the location of the manufactured home.
4. From the basic rate pages, determine the premium based on the ZONE, SUBZONE, and RISK AMOUNT.

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / Base Amount *

* The Base Amount is the Risk Amount which has a factor of 1.000.

Note: For amounts greater than the largest risk amount shown, calculate the premium for the additional amount and add it to the premium for the largest risk amount shown.

5. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium.

B. Apply any remaining percentage adjustments to the basic premium, including percent charges for optional coverages.

C. Add any flat dollar adjustments, including premiums for optional coverages.

D. Premium Calculation Example:

Note: The discounts and charges used in the following example were chosen for illustration purposes only.

1. Manufactured Home Basic Premium

a. Premium	(\$156.00 X 1.000 X .832 X \$40,000 / \$30,000 = \$173.06)		= \$173
b. Park Class 2 Adjustment	(20% x \$173)		+ \$35
		Subtotal	= \$208
c. Model Year Rating Plan Adjustment	(10% x \$208)		- \$21
		Subtotal	= \$187
d. Discount for Local Smoke Alarm	(2% x \$187)		- \$4
		Subtotal	= \$183

MANUFACTURED HOMES

e. Charge for Replacement Cost (Building and Contents) 12% x \$183 (\$25 Minimum)		+ \$25
	Subtotal	= \$208
f. Discount for \$1,000 Deductible (11% x \$208)		- \$23
	Basic Premium	\$185
2. Charge for \$3,000 Coverage B - Increased Limits 3 x \$1.60		+ \$5
3. Adjustment for \$2,500 Jewelry and Furs Option		+ \$20
4. Final Premium (subject to policy minimum premium)	Final Premium	= \$210

Note: Each discount and charge is to be rounded to the nearest dollar before being subtracted from or added to the basic premium.

MANUFACTURED HOMES

MANUFACTURED HOMES \$500 DEDUCTIBLE \$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

ZONE BASE RATES

Zone	Rate
10	\$565.91
11	\$590.96
13	\$590.96
14	\$565.91
16	\$590.96
17	\$590.96
19	\$590.96
21	\$590.96

MANUFACTURED HOMES

MANUFACTURED HOMES \$500 DEDUCTIBLE \$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

SUBZONE FACTORS

Subzone	Factor
All Not Specifically Listed	1.000

MANUFACTURED HOMES

MANUFACTURED HOMES \$500 DEDUCTIBLE \$100,000 LIABILITY; \$1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Amount Factor X Risk Amount / \$30,000

RISK AMOUNT FACTORS

Risk Amount	Factor
\$1	2.155
\$4,000	2.155
\$8,000	1.530
\$10,000	1.407
\$15,000	1.209
\$20,000	1.132
\$25,000	1.078
\$30,000	1.000
\$35,000	0.931
\$40,000	0.917
\$45,000	0.906
\$50,000	0.897
\$55,000	0.890
\$60,000	0.884
\$65,000	0.883
\$70,000	0.878
\$75,000	0.874
\$100,000	0.865
\$150,000	0.854

Each Additional	Factor
\$1,000	0.837

Amounts below \$8,000 are for seasonal/secondary only.

For risk amounts between those shown above, interpolate to derive the appropriate factor.

BASIC PREMIUM ADJUSTMENTS

This section provides details on coverages and rating for the Manufactured Homes policy, including the information necessary to develop the basic premiums.

The following adjustments shall apply sequentially as presented in the Basic Premium Adjustment section. Each subsequent adjustment is applied to the previously adjusted premium.

PARK CLASS

Class 1 applies to manufactured homes located in approved mobile home parks.

Class 2 applies to all eligible manufactured homes not qualifying for Class 1 premiums.

The basic premium reflects location of the manufactured home in an approved mobile home park. The following basic premium adjustments apply for homes located outside of an approved park.

Park Class	Basic Premium Adjustment
1	No Adjustment
2	50%

BASIC PREMIUM ADJUSTMENTS

MODEL YEAR RATING PLAN

Manufactured homes are eligible for a discount from the basic premium depending on the calendar year that the manufactured home was built. The discount to be applied is determined by the following:

For Manufactured Homes Built	Basic Premium Adjustment
During current calendar year	-30%
One year preceding current calendar year	-25%
Two years preceding current calendar year	-20%
Three years preceding current calendar year	-15%
Four years preceding current calendar year	-10%
Five years preceding current calendar year	-5%
Six years preceding current calendar year	-5%
Seven years preceding current calendar year	-5%
Eight years preceding current calendar year	-5%
Nine years preceding current calendar year	-5%
Ten years preceding current calendar year	-5%
Eleven years preceding current calendar year	-5%
Twelve years preceding current calendar year	-5%
Thirteen years preceding current calendar year	-5%
Fourteen years preceding current calendar year	-3%
Fifteen years preceding current calendar year	-1%
Sixteen years or more preceding current calendar year	No Adjustment

BASIC PREMIUM ADJUSTMENTS

OCCUPANCY

The basic premium reflects standard occupancy of the manufactured home. There is no charge for standard occupancy. For other occupancies the following basic premium adjustments apply.

Occupancy	Park Class
	1
Seasonal/Secondary	25%

Occupancy	Park Class	
	1	2
Rental	50%	10%

Occupancy	Park Class
	1
<i>Travel Trailer - Seasonal</i>	<i>25%</i>

Occupancy	Park Class
	1
<i>Travel Trailer - Full Time</i>	<i>25%</i>

Note: If rental exists, attach Rented Manufactured Home Endorsement, FE-7437.

BASIC PREMIUM ADJUSTMENTS

ROOF SURFACES

The basic premiums contemplate standard roof covering materials. This rule recognizes differences in roof covering materials with appropriate premium discounts and charges.

The following premium adjustments apply:

Discounts apply only on policies insuring a risk on which new roof covering was installed after 5/31/1996 and the roof covering meets U.L. qualifying standards (or acceptable equivalent testing). To qualify for the discount:

- Non-metal roof coverings must be replaced (no overlay) with a qualifying roof covering or must be new construction.
- For metal roofs, the following endorsement must be attached:

ATTACH: Exclusion of Cosmetic Loss to Metal Roof Coverings Caused by Hail, FE-8706

Class	Basic Premium Adjustment
1	0%
2	0%
3	-9%
4	-12%

MANUFACTURED HOME 369 DISCOUNT

The basic premium will be discounted according to the schedule shown below. The amount of the discount depends upon the number of consecutive years (ending with the current renewal date) the policyholder or spouse has had a State Farm Manufactured Home, Homeowners, or Farm/Ranch policy covering their primary dwelling or contents. Although eligibility and the amount of the discount are determined by the policy on the primary dwelling or contents, the discount also applies to any secondary residence insured by State Farm.

Consecutive Years Insured with State Farm	Basic Premium Adjustment
0	0%
1	-2%
2	-4%
3	-6%
4	-8%
5	-10%
6	-12%
7	-14%
8	-17%
9+	-20%

Examples	(1)	(2)	(3)
A. Manufactured Home Policy First Issued	2004	1999	2006
B. Calendar Year of Anniversary Date Being Billed	2008	2008	2008
C. (B - A)	4	9	2
D. Amount of Discount	8%	20%	4%

If a policy is reinstated, the number of consecutive years with State Farm applying at the time of cancellation or expiration will be used to determine this discount, provided the reinstatement occurs within three years. (The period of time away from State Farm does not apply towards this discount.)

MANUFACTURED HOME ALERT PROTECTION

The following premium discounts apply for fire prevention efforts by the policyholder:

Description	Basic Premium Adjustment
Fire Extinguishers	-2%
Fire or Smoke Local Alarm	-2%
Fire or Smoke Local Alarm & Fire Extinguisher	-4%
Local Burglar Alarm System	-3%
Burglar Alarm Reporting to Police Department or Central Station	-3%
Fire or Smoke Detectors which also Activate Either a Digital Dialer or a Voice Synthesized (Not Tape) Telephone Dialer	-4%
Fire Alarm Reporting to Fire Department or Central Station	-4%
Fire or Smoke Local Alarm and Burglar Alarm System	-5%
Fire and Burglar Alarm Reporting to Police or Fire Department or Central Station	-5%
Fire or Smoke Local Alarm, Fire Extinguisher and Dead Bolt Locks	-5%
Fire or Smoke Detectors which also Activate either a Digital Dialer or a Voice Synthesized (Not Tape) Telephone Dialer, Fire Extinguisher and Dead Bolt Locks	-6%
Local Burglar Alarm System, Fire or Smoke Local Alarm, Fire Extinguisher and Dead Bolt Locks	-6%
Fire Alarm Reporting to Fire or Central Station, Fire Extinguisher, and Dead Bolt Locks	-10%
Burglar Alarm Reporting to Police or Central Station, Fire Extinguisher, and Dead Bolt Locks	-10%
Fire and Burglar Alarm reporting to either Fire Department, Police Department, or Central Station, Dead Bolt Locks and Fire Extinguisher	-10%

Telephone dialer discounts do not apply in areas where dialers are prohibited by ordinance or law.

Only one discount from the above schedule may be applied per policy. No combination of discounts, other than shown, is permitted.

INFLATION AND REPLACEMENT COST COVERAGE

A. Inflation/Replacement Cost on Contents

Replacement Cost coverage is available only in conjunction with Inflation Coverage and only when the Coverage A amount is equal to at least 100% of the current model year value of the manufactured home. If replacement cost on the dwelling is also desired, rule A. does **not** apply. Refer to Rule C.

Coverage may be extended to include the full cost of repair or replacement subject to the limit of liability and the terms of the endorsement below. Rented manufactured homes are **not** eligible for this coverage.

The additional annual premium for this coverage shall be determined by applying the following charge to the basic premium. In addition to providing the replacement cost feature, this premium increases the Coverage B limit by 25% of the Coverage A limit.

Basic Premium Adjustment	Endorsement Minimum Premium
8%	\$15

Apply the rates shown in Coverage B - Increased Limits to the policy amounts above those provided by this endorsement.

ACTIVATE: Loss Settlement Provision B1, Replacement Cost Loss Settlement.

ATTACH: Coverage B Inflation Coverage Endorsement, FE-3200

B. Inflation/Dwelling Replacement Cost Coverage

Replacement cost coverage is available for homes up to and including the most recent 10 model years (Note: the current year counts as 1 year in determining eligibility; e.g., in 2008, a 1999 model year home is 10 model years old). This coverage is available only in conjunction with Inflation Coverage, and only when the Coverage A amount is equal to at least 100% of the current model year value of the manufactured home. If replacement cost on contents is also desired, rule B. does **not** apply. Refer to rule C.

Loss to property insured under Coverage A is settled at replacement cost subject to the limits of liability and to the terms of the endorsement below.

Premium
\$10

ACTIVATE: Loss Settlement Provision B2, Depreciated Loss Settlement.

ATTACH: Inflation and Dwelling Replacement Cost Endorsement, FE-7528

C. Inflation/Dwelling Replacement Cost/Replacement Cost on Contents

Replacement cost coverage is available for homes up to and including the most recent 10 model years (Note: the current year counts as 1 year in determining eligibility; e.g., in 2008, a 1999 model year home

BASIC PREMIUM ADJUSTMENTS

is 10 model years old). This coverage is available only in conjunction with Inflation Coverage, and only when the Coverage A amount is equal to at least 100% of the current model year value of the manufactured home. Coverage may be extended to include the full cost of repair or replacement subject to the limits of liability and to the terms of the endorsement below. Rented manufactured homes are **not** eligible for Replacement Cost on Contents Coverage.

The additional annual premium for this coverage shall be determined by applying the following charge to the basic premium. In addition to providing the replacement cost feature, this premium increases the Coverage B limit by 25% of the Coverage A limit.

Basic Premium Adjustment	Endorsement Minimum Premium
13%	\$24

Apply the rates shown in Coverage B - Increased Limits to the policy amounts above those provided by this endorsement.

ACTIVATE: Loss Settlement Provision B1, Limited Replacement Cost Loss Settlement.

ATTACH: Inflation and Dwelling Replacement Cost Endorsement, FE-7528

INFLATION AND REPLACEMENT COST COVERAGE - RENEWALS ONLY

Inflation and Dwelling Replacement Cost Coverage and Inflation and Dwelling/Personal Property Replacement Cost Coverage are available for renewal policyholders not meeting current eligibility requirements, but already having this coverage. The rates and coverage limits included in the Inflation and Replacement Cost Coverage rule apply.

Inflation Coverage Only (Renewals Only):

Inflation coverage may be added for no additional charge. Coverage on the manufactured home, other structures and contents will be increased as inflation occurs. If replacement cost on personal property coverage is provided in conjunction with this endorsement, the rates applicable to Loss Settlement Provision B1 provided in the Inflation/Replacement Cost on Contents rule apply.

ATTACH: Inflation Coverage Endorsement, FE-7419

BASIC PREMIUM ADJUSTMENTS

DEDUCTIBLES

The basic premium includes a \$500 deductible. For other deductibles, apply the adjustment shown in the table below.

Deductible	Basic Premium Adjustment	Maximum Adjustment
\$500	No Adjustment	Does Not Apply
\$1,000	-10%	Does Not Apply
\$2,000	-21%	Does Not Apply
\$5,000	-22%	Does Not Apply

DISCOUNTS, CHARGES, AND OPTIONS

All percentage discounts, charges, and options are to be applied to the Basic Premium prior to any adjustment for flat dollar discounts, charges, and options. The policy minimum premium applies to the policy premium after adjustment for discounts, charges, and options.

ADDITIONAL INSURED**A. Sections I and II (Co-Owner or Additional Insured)**

The interest of a co-owner or another additional insured with an interest only in the residence premises may be covered for no additional premium.

1. Occupant - Co-owner

A Manufactured Home policy can be issued to the co-owner of a one or two family dwelling if each of the co-owners occupying the home lives in independently separate premises. A separate Manufactured Home policy can be issued to the other co-owner.

2. Non-Occupant - Co-owner

Interests of a non-occupant, other than a contractor, may be covered in the event of joint ownership in the dwelling.

3. Other Additional Insureds

The interest of an additional insured with an interest only in the residence premises may be covered.

ACTIVATE: Option AI in the policy.

B. Section II Only (Special Event)

The Section II interest of an additional insured arising from a special event may be covered for the following additional fully earned premium.

Liability Limit	Premium
\$100,000	\$25
\$300,000	\$30
\$500,000	\$35
\$1,000,000	\$50
\$2,000,000	\$75
\$3,000,000	\$105
\$4,000,000	\$125
\$5,000,000	\$140

ATTACH: Additional Insured - Special Event Endorsement (Section II), FE-5263

DISCOUNTS, CHARGES, AND OPTIONS

C. Sections I and II (Additional Insured)

The interest of an additional insured, not described elsewhere in this section, may be covered for no additional premium.

ATTACH: Additional Insured Endorsement, FE-5267

DISCOUNTS, CHARGES, AND OPTIONS

BUSINESS PROPERTY - INCREASED LIMITS

The policy provides \$1,000 on premises coverage and \$250 off premises coverage for personal property intended for use in a business. Coverage for merchandise held as samples or for sale or for delivery is included. Coverage is not provided for electronic data processing equipment or the recording or storage media used with that equipment.

On premises coverage can be increased to \$2,500 or \$5,000 for the following additional premium.

Deductible	Premium	
	\$2,500 Limit	\$5,000 Limit
All	\$12	\$17

ACTIVATE: Option BP in the Policy. Limits will be shown on the Declarations Page.

DISCOUNTS, CHARGES, AND OPTIONS

BUSINESS PURSUITS

The Section II Liability protection may be extended to certain occupations. The occupations which may be covered are as follows:

- A. Clerical Office Employees engaged wholly in office work
- B. Salespersons, Collectors, or Messengers
- C. Teachers - including Liability for Corporal Punishment
- D. School Administrators

This coverage does not replace professional liability coverage.

This option does not provide coverage for loss in connection with a business owned or financially controlled by the insured or by a partnership of which the insured is a member.

Only one charge applies per policy.

Liability Limit	Premium
\$100,000	\$7
\$300,000	\$9
\$500,000	\$10
\$1,000,000	\$12
\$2,000,000	\$19
\$3,000,000	\$26
\$4,000,000	\$34
\$5,000,000	\$41

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

ACTIVATE: Option BU in the Policy.

DISCOUNTS, CHARGES, AND OPTIONS

CHILD CARE

When the insured provides babysitting care in the manufactured home, Section II coverage should be provided. The following additional premiums apply:

Liability Limit		Number of Children Cared For			
Occurrence	Aggregate	1 - 3	4	5	6
\$100,000	\$100,000	\$60	\$75	\$90	\$105
\$300,000	\$300,000	\$78	\$96	\$116	\$140
\$500,000	\$500,000	\$90	\$113	\$135	\$158
\$1,000,000	\$1,000,000	\$110	\$133	\$165	\$189
\$2,000,000	\$2,000,000	\$176	\$213	\$264	\$302
\$3,000,000	\$3,000,000	\$242	\$293	\$363	\$416
\$4,000,000	\$4,000,000	\$308	\$373	\$462	\$529
\$5,000,000	\$5,000,000	\$374	\$453	\$561	\$643

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

To reinstate the aggregate limit, refer to Company.

ATTACH: Child Care Liability Endorsement, FE-5268

DISCOUNTS, CHARGES, AND OPTIONS

COVERAGE B - INCREASED LIMITS

The basic policy provides a limit of liability for personal property equal to 75% of Coverage A (5% for rental manufactured homes) or 100% of Coverage A for policies with Loss Settlement B1 activated. This optional coverage will be rated on the total value of Coverage B personal property in excess of the basic limits noted above.

If an earthquake endorsement is attached to the policy, it applies to this coverage. (In this case, a separate charge for Increased Coverage B must also be made under Earthquake coverage.)

Deductible	Each Additional \$1,000 - Add:
All	\$0.50

DISCOUNTS, CHARGES, AND OPTIONS

EARTHQUAKE DAMAGE ASSUMPTION

Earthquake damage can be covered by the addition of an endorsement. The following provide additional details on this coverage.

EARTHQUAKE DAMAGE ASSUMPTION - ZONES

Earthquake Zones:

Zone	Counties				
2	Clay	Craighead	Crittenden	Cross	Greene
	Jackson	Lee	Mississippi	Poinsett	St. Francis
3	Arkansas	Independence	Lawrence	Monroe	Phillips
	Prairie	Randolph	Sharp	White	Woodruff
4	Baxter	Cleburne	Conway	Desha	Faulkner
	Fulton	Izard	Jefferson	Little River	Lonoke
	Marion	Pulaski	Searcy	Sebastian	Stone
5	Remainder of State				

DISCOUNTS, CHARGES, AND OPTIONS

EARTHQUAKE DAMAGE ASSUMPTION - DEDUCTIBLE

Deductible applies separately to Coverage A (Dwelling), Dwelling Extension, and Coverage B (Personal Property), subject to a minimum aggregate deductible amount of \$250 in any one occurrence.

Deductible
Percentage of the Coverage A, Coverage B, and Dwelling Extension (other structures) limits of liability (\$250 minimum).

DISCOUNTS, CHARGES, AND OPTIONS

EARTHQUAKE DAMAGE ASSUMPTION - BASIC RATES

Basic Rates provide basic package amounts of coverage. The rates shown below apply per \$1,000 of Coverage A.

Deductible	Zone			
	2	3	4	5
5%	N/A	N/A	\$0.30	\$0.26
10%	\$0.58	\$0.28	\$0.20	\$0.18

DISCOUNTS, CHARGES, AND OPTIONS

EARTHQUAKE DAMAGE ASSUMPTION - LIMITING SYSTEM

For Manufactured Homes which have an earthquake damage limiting system installed, apply the following factor to the premium developed from the basic earthquake rate table.

Factor
0.70

DISCOUNTS, CHARGES, AND OPTIONS

EARTHQUAKE DAMAGE ASSUMPTION - INCREASING OTHER COVERAGES

If higher than basic limits are provided for the following types of coverage, additional charges are made according to all applicable rates shown below. These rates apply only to the increased amount of coverage.

A. Coverage B Additional Rate Per \$1,000

Deductible	Zone			
	2	3	4	5
5%	N/A	N/A	\$0.22	\$0.19
10%	\$0.40	\$0.20	\$0.15	\$0.13

B. Dwelling Extension Additional Rate Per \$1,000

Deductible	Zone			
	2	3	4	5
5%	N/A	N/A	\$0.30	\$0.26
10%	\$0.58	\$0.28	\$0.20	\$0.18

C. Loss Assessment Additional Rate Per \$1,000

Deductible	Zone			
	2	3	4	5
5%	N/A	N/A	\$0.30	\$0.26
10%	\$0.58	\$0.28	\$0.20	\$0.18

ATTACH: Earthquake Endorsement - Excluding Masonry Veneer, FE-7300

DISCOUNTS, CHARGES, AND OPTIONS

FIREARMS

The policy provides named peril coverage with a \$2,500 limit on loss by theft of Firearms. Coverage for accidental direct physical loss may be written to provide broader coverage and increase the limit as follows:

Limits for Loss by the Following Perils	Limit Any One Article	Total
Theft	\$2,500	\$5,000
Coverage B Perils (other than Theft)	Coverage B Limit plus \$5,000	Coverage B Limit plus \$5,000
All Other Covered Perils	\$2,500	\$5,000

Deductible	Premium
All	\$7

ACTIVATE: Option FA in the policy. Limits will be shown on the Declarations Page.

DISCOUNTS, CHARGES, AND OPTIONS

FIRE DEPARTMENT SERVICE CHARGE INCREASED LIMITS

The Manufactured Home policy includes a Fire Department Service charge coverage limit of \$500. Increased limits may be purchased as follows:

<i>Fire Department Service Charge Limit</i>	<i>Premium</i>
<i>\$1,000</i>	<i>\$10</i>
<i>\$1,500</i>	<i>\$20</i>
<i>\$2,000</i>	<i>\$30</i>

ATTACH: Fire Department Service Charge Increase Endorsement (\$1,000 Limit), FE-7473, or

ATTACH: Fire Department Service Charge Increase Endorsement (\$1,500 Limit), FE-7474, or

ATTACH: Fire Department Service Charge Increase Endorsement (\$2,000 Limit), FE-7475

DISCOUNTS, CHARGES, AND OPTIONS

HOME COMPUTERS

The policy provides \$5,000 coverage on electronic data processing equipment including the recording and storage media used with that equipment. This coverage applies to equipment primarily used on premises regardless of whether it is used in a business. Coverage is included for recording or storage media which can be replaced with other of like kind and quality on the open retail market.

This limit can be increased to \$10,000.

Deductible	Premium
All	\$13

ACTIVATE: Option HC in the Policy. The limit will be shown on the Declarations Page.

DISCOUNTS, CHARGES, AND OPTIONS

IDENTITY RESTORATION

Coverage may be provided to assist an insured whose identity has been used for fraudulent purposes. There will be no deductible applied to the loss under this endorsement.

The premium developed for Identity Restoration coverage is excluded from the minimum premium calculation. This coverage is not available for rented manufactured homes.

Limit	Premium
\$25,000	\$25

ATTACH: Identity Restoration Coverage Endorsement, FE-3301

DISCOUNTS, CHARGES, AND OPTIONS

INCIDENTAL BUSINESS

If the insured maintains an eligible incidental office or a professional or private school or studio in the manufactured home, Option IO should be activated. This option provides additional Section I coverage of \$5,000 on premises and \$1,000 off premises for equipment, supplies, and furnishings usual and incidental to the business occupancy. No coverage is provided under this option for computers and equipment or merchandise held as samples or for sale.

In addition, Section II coverage is provided for the incidental business. This coverage does not replace professional liability coverage. The following premiums apply:

Liability Limit	Premium
\$100,000	\$23
\$300,000	\$26
\$500,000	\$29
\$1,000,000	\$34
\$2,000,000	\$54
\$3,000,000	\$75
\$4,000,000	\$95
\$5,000,000	\$116

The selected Liability Limit amount must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

ACTIVATE: Option IO in the policy.

DISCOUNTS, CHARGES, AND OPTIONS

JEWELRY AND FURS

The policy provides named peril coverage with a \$200 limit on gold, silver, and platinum (other than goldware and silverware), and a \$1,000 limit on loss by theft of Jewelry, Precious and Semi-Precious Stones, Watches, and Furs.

Coverage for accidental direct physical loss may be written to provide broader coverage and increase the limit as follows:

Limits for Loss by the Following Perils	\$2,500 Option JF		\$5,000 Option JF	
	Limit Any One Article	Total	Limit Any One Article	Total
Theft	\$1,500	\$2,500	\$2,500	\$5,000
Coverage B Perils (other than Theft)	Coverage B Limit plus \$2,500	Coverage B Limit plus \$2,500	Coverage B Limit plus \$5,000	Coverage B Limit plus \$5,000
All Other Covered Perils	\$1,500	\$2,500	\$2,500	\$5,000

Deductible	Premium	
	\$2,500 Option	\$5,000 Option
All	\$12	\$21

ACTIVATE: Option JF in the policy. Limits will be shown on the Declarations Page.

JOINT OWNERSHIP - SEASONAL DWELLINGS

Coverage may be provided on jointly owned seasonal dwellings subject to the following limitations:

- A. Coverage B is limited to property owned by the named insureds which is used solely in conjunction with the premises and while on the residence premises.
- B. Section II Liability and Medical Payments to Others is limited to the premises only.

ATTACH: Joint Ownership Endorsement, FE-7566

DISCOUNTS, CHARGES, AND OPTIONS

LOSS ASSESSMENTS

If the insured is a member of a Homeowners Association, coverage may be purchased for the insured's portion of an assessment against all members of the Association. Coverage applies when the assessment is made in accordance with the governing rules of the Association as a result of:

- A. A direct loss to commonly owned property caused by a peril covered under Section I of the policy;
- B. An occurrence to which Section II would apply; or
- C. Damages which the Association may be obligated to pay due to personal injury.

If an earthquake endorsement is attached to the policy, it also applies to this coverage. In this case, a separate charge for Earthquake Loss Assessments must also be made under Earthquake Coverage. The following rates apply:

Rate Per \$1,000		
Coverage D Limit		
First \$5,000	Next \$20,000	Above \$25,000
\$0.50	\$0.25	<i>\$0.10</i>

ATTACH: Coverage D Loss Assessment Endorsement, FE-5256

DISCOUNTS, CHARGES, AND OPTIONS

MEDICAL PAYMENTS - OPTIONAL LIMITS

For other than basic limits, apply the following premium:

Limit	Premium
\$1,000	Basic
\$2,000	\$3
\$3,000	\$5
\$4,000*	\$7
\$5,000	\$9
\$10,000	\$15

*Renewals Only

DISCOUNTS, CHARGES, AND OPTIONS

NURSES' PROFESSIONAL LIABILITY COVERAGE

Coverage for liability arising out of nursing activities as a registered nurse, a licensed practical nurse, or a licensed vocational nurse can be provided. The following charges apply per policy.

Liability Limit		Premium
Occurrence	Aggregate	
\$100,000	\$100,000	\$23
\$300,000	\$300,000	\$28
\$500,000	\$500,000	\$31
\$1,000,000	\$1,000,000	\$35
\$2,000,000	\$2,000,000	\$53
\$3,000,000	\$3,000,000	\$75
\$4,000,000	\$4,000,000	\$89
\$5,000,000	\$5,000,000	\$100

The selected liability limit must coincide with the policy Section II limit. To reinstate the aggregate limit, refer to Company.

ATTACH: Nurses' Professional Liability Insurance Endorsement, FE-5257

OFF PREMISES STRUCTURES

Coverage under Coverage A - Dwelling Extension Other Structures may be extended to include structures which are located off premises. Coverage will be provided on an actual cash value basis. Coverage will **not** apply to:

- A. Off premises dwellings, whether or not owner occupied.
- B. Buildings used in whole or in part for business purposes.
- C. Buildings which are rented or held for rental, unless used solely as a private garage.
- D. Structures which were intended for use as a dwelling when originally constructed.
- E. Buildings not permanently attached to or otherwise forming a part of the realty.

This endorsement does **not** increase the coverage amount applying to Other Structures. If the total value of Other Structures both on and off premises exceeds 10% of Coverage A, the Dwelling Extension limit may be increased using rates shown in Other Structures - Increased Limits.

Deductible	Premium
All	\$22

ATTACH: Off Premises Structures Endorsement, FE-5255

DISCOUNTS, CHARGES, AND OPTIONS

OTHER STRUCTURES - INCREASED LIMITS

The basic policy provides a limit of liability for other structures equal to 10% of Coverage A. Increased limits can be provided for other structures on the premises. The coverage will be the same as the basic policy and will be rated on the total value of the other structures in excess of 10% of Coverage A.

If an earthquake endorsement is attached to the policy, it applies to this coverage. In this case, a separate charge for Increased Dwelling Extension must also be made, under Earthquake coverage. The following rate applies.

Deductible	Rate Per \$1,000
All	\$3.50

PERSONAL INJURY COVERAGE

Coverage for Personal Injury may be provided under Coverage L - Personal Liability. This coverage includes injury arising out of the following offenses subject to the limitations in the endorsement:

- A. False arrest, detention, imprisonment, eviction, or malicious prosecution;
- B. Libel, slander, or defamation of character; or
- C. Invasion of privacy.

The following charges apply per policy.

Liability Limit	Premium
\$100,000	\$10
\$300,000	\$13
\$500,000	\$16
\$1,000,000	\$24
\$2,000,000	\$38
\$3,000,000	\$53
\$4,000,000	\$67
\$5,000,000	\$82

The selected liability limit must coincide with the policy Section II limit.

ATTACH: Personal Injury Endorsement, FE-7468

DISCOUNTS, CHARGES, AND OPTIONS

PERSONAL LIABILITY - OPTIONAL LIMITS

For other than basic limits, apply the following premium:

Limit	Premium
\$100,000	Basic
\$300,000	\$10
\$500,000	\$17
\$1,000,000	\$35
\$2,000,000	\$53
\$3,000,000	\$74
\$4,000,000	\$88
\$5,000,000	\$98

Limits for all Section II coverages must be equal. The Section II limits for the following coverages should be reviewed if applicable:

- A. Incidental Business
- B. Child Care
- C. Business Pursuits
- D. Nurses' Professional Liability
- E. Personal Injury

DISCOUNTS, CHARGES, AND OPTIONS

SILVERWARE AND GOLDWARE

The policy provides named peril coverage with a \$2,500 limit on loss by theft of Silverware and Goldware. This special limit may be increased in increments of \$2,500 for the following additional premium:

Deductible	Limit for Loss by Theft		
	\$5,000	\$7,500	\$10,000
All	\$10	\$16	\$25

ACTIVATE: Option SG in the policy. Limit will be shown on the Declarations Page.

DISCOUNTS, CHARGES, AND OPTIONS

SOLID FUEL APPLIANCE CHARGE

When one or more solid fuel burning appliances are present, a charge applies. These appliances include, but are not limited to, free standing woodburners, furnaces, and boilers. Conventional masonry fireplaces, factory built fireplaces, fireplace inserts, coal furnaces, and outdoor furnaces used to heat the home are not included in this class as long as installed according to manufacturer specifications.

Premium
\$20

DISCOUNTS, CHARGES, AND OPTIONS

VENDORS' SINGLE INTEREST

Vendors' Single Interest (VSI) Coverage covers the lienholder's interest in the manufactured home against loss due to collision damage or embezzlement while in the lawful possession of the retail purchaser. It includes repossession return expense and expenses for releasing liens for rent, storage and utility charges. It should be written only when required by the lienholder.

Premium
\$5

ATTACH: Vendors' Single Interest Endorsement, FE-7374

DISCOUNTS, CHARGES, AND OPTIONS

WATERBED LIABILITY ENDORSEMENT

A policy may be endorsed to pay up to the Coverage L limit of liability, all sums for which any insured is legally liable to pay for damage to property of others caused by or arising out of the ownership, maintenance, or use of the owned waterbed. The following premium applies.

Premium
\$25

ATTACH: Waterbed Liability Endorsement, FE-7448

SERFF Tracking Number: SFMA-127837284 State: Arkansas
Filing Company: State Farm Fire and Casualty Company State Tracking Number:
Company Tracking Number: MH-28331
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: MH-28331
Project Name/Number: MH-28331/MH-28331

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: NAIC loss cost data entry document Comments: Attachment: AR MH Filing - FORM RF-1 Rate Filing Abstract.pdf	Filed	12/06/2011

	Item Status:	Status Date:
Bypassed - Item: NAIC Loss Cost Filing Document for OTHER than Workers' Comp Bypass Reason: N/A Comments:		

	Item Status:	Status Date:
Satisfied - Item: Filing Memorandum Comments: Attachment: Arkansas MH Filing Memo with exhibits.pdf	Filed	12/06/2011

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	Filing # MH-28331
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. State Farm Fire & Casualty Company	B.	0176-25143

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	B.	

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Manufactured Homes	1.9%	0.0%					
TOTAL OVERALL EFFECT	1.9%	0.0%	N/A	N/A	N/A	N/A	N/A

5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	8,122	--	N/A	5,849	2,508	43%	43%
2007	8,122	--	N/A	5,910	1,362	23%	48%
2008	8,246	0.0	1/1/08	6,000	6,682	111%	79%
2009	8,303	--	N/A	6,132	5,219	85%	55%
2010	8,304	--	N/A	6,197	2,319	37%	57%
9/2011	8,288	--	N/A	4,667	4,578	98%	93%

Expense Constants	Selected Provisions
A. Total Production Expense	21.2
B. General Expense	2.5
C. Taxes, License & Fees	3.1
D. Underwriting Profit & Contingencies	7.0
E. Other (explain)	
F. TOTAL	33.8

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 33% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. -22% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

STATE FARM FIRE AND CASUALTY COMPANY
Arkansas Manufactured Homes Program
Filing Memorandum
Effective Dates: 03/15/2012 New Business
05/01/2012 Renewal Business

I. Indicated Rate Change and Rate Revision

Attached for your review is our methodology for forecasting premiums, losses, and expenses to arrive at an indicated change (see Exhibits 1-7). The projections underlying the indicated change include the impact of applicable coverage changes. The result of the procedure is a 1.9% overall indicated change. This filing represents an overall 0.0% change for the Arkansas Manufactured Homes Program. The loss experience by year is shown in Exhibit 8.

II. Summary of Indications and Changes by Form

Shown below are the indicated and the overall change we are implementing.

Policy Form	Indicated Rate Change	Summary Of Changes
Manufactured Homes Program	1.9%	0.0%

III. Manufactured Homes Program Changes

A. Basic Premiums

After including the impact of all other changes outlined in this filing, we are implementing a statewide basic premium change in order to achieve the average 0.0% rate change for the Manufactured Homes policy form.

B. Rate Manual Changes

We are introducing a new rating approach that will simplify our personal lines manual. Under this approach, we will preprint base premiums by zone and include separate rating factors for subzone and amount of insurance. To obtain the premium for a particular policy, the system will then multiply the zone base premium by each of its rating factors. This will replace our current approach of preprinting already expanded basic premiums in the rating manual. This is similar to how our homeowners rating manual is structured today.

Individual policies will only be affected by this change when rounding or interpolating differences exist between the current and proposed approach. The overall impact of this change is negligible.

We are also implementing an online rate manual that will be available for our agents. We will continue to include in our rate filings a copy of the rates and rules in this online manual.

C. Park Class Rating

Based on a companywide analysis, we are revising the current Park Class 2 basic premium adjustment.

Current Park Class 2 Adjustment	Revised Park Class 2 Adjustment
60%	50%

D. Deductible and Amount of Insurance Changes

We are adjusting our rate relationships by Coverage A amount and deductible by moving toward the indicated relativities. The indicated rate relationships are primarily based on a generalized linear model fit to companywide Manufactured Homes experience. The indicated relativities were also adjusted to include loss adjustment expenses and fixed expenses.

We are also introducing \$5,000 deductible option to be available for both new and renewal business. In addition, we are removing the maximum dollar discounts for our deductibles. Please refer to the table below for our current and revised deductible discounts.

Deductible	Current Discount	Revised Discount
\$500	0%	0%
\$1,000	-17% (\$200 max)	-10%
\$2,000	-30% (\$600 max)	-21%
\$5,000	N/A	-22%

Please refer to Exhibit 9 for details regarding the Amount of Insurance changes. In addition, we are including \$1 in the Risk Amount table with the factor matching the lowest amount currently shown.

E. Home Alert

Based on a companywide analysis, we are revising our Home Alert Protection program credits. We also are introducing additional Home Alert descriptions for “Fire Alarm Reporting to Fire Department or Central Station” and “Fire and Burglar Alarm Reporting to Police or Fire Department or Central Station.” Please refer to Exhibit 10 for details.

F. Structural Stability Devices and Occupancy

Based on a companywide analysis, we are eliminating all rating by structural stability. We also are revising our rating by occupancy. Please refer to Exhibit 11 for details regarding these changes.

G. Manufactured Homes 369 Discount

Based on a companywide analysis, we are revising the Manufactured Homes 369 discounts as shown below.

Consecutive Years Insured with State Farm	Current Discount	Revised Discount
0	0%	0%
1	0%	-2%
2	0%	-4%
3	-5%	-6%
4	-5%	-8%
5	-5%	-10%
6	-10%	-12%
7	-10%	-14%
8	-10%	-17%
9+	-15%	-20%

H. Model Year Rating Plan

Based on a companywide analysis, we are increasing selected discounts under the Model Year Rating Plan as shown below.

Model Year	Current Discount	Revised Discount
Current	-25%	-30%
1 Year Prior	-20%	-25%
2 Years Prior	-15%	-20%
3 Years Prior	-10%	-15%
4 Years Prior	-5%	-10%
5 Years Prior	0%	-5%
6 Years Prior	0%	-5%
7 Years Prior	0%	-5%
8 Years Prior	0%	-5%
9 Years Prior	0%	-5%
10 Years Prior	0%	-5%
11 Years Prior	0%	-5%
12 Years Prior	0%	-5%
13 Years Prior	0%	-5%
14 Years Prior	0%	-3%
15 Years Prior	0%	-1%
16 Years Prior or more	0%	0%

I. Solid Fuel Charge

We are introducing the Solid Fuel Appliance Charge. The premium of \$20 is based on the Homeowners charge. The charge is applicable when an appliance burning wood or other solid fuels is present, such as a furnace or boiler, but does not include traditional wood burning fireplaces.

J. Medical Payments

We are making the Medical Payment Option Limit of \$4,000 available for renewals only. We also are introducing a new Medical Payment Option Limit of \$10,000 with a premium of \$15.

K. Optional Coverages

We will no longer vary the premiums for the optional coverages by deductible.

Based on a companywide analysis, we are adjusting premiums for the following optional coverages:

- Jewelry and Furs
- Firearms
- Silverware and Goldware
- Coverage B Personal Property – Increased Limits
- Dwelling Extension – Other Structures – Increased Limits
- Dwelling Extension – Off Premises Structures
- Home Computers
- Business Property – Increased Limits
- Incidental Business
- Business Pursuits
- Personal Injury Liability
- Nurses' Professional Liability
- Waterbed Liability
- Child Care

Please refer to Exhibit 12 for details regarding the specific revised premiums.

L. Miscellaneous Rate Manual Changes

We are making the following miscellaneous manual changes:

- Clarifying the Inflation/Replacement Cost rules to add an example for the model year calculation.
- Removing reference to Assignment from the Transfer or Assignment rule.
- Clarifying the Impact Resistive Roof rule to remove reference to the specific UL & FM standards.

M. Zone and Subzone Changes

In order to facilitate processing, we are introducing a subzone assignment of 10 for each entry in our zone table. We are not rating by subzone in Arkansas Manufactured Homes, so this change will have no rating impact.

We are also introducing the Zone/Subzone Assignment rule. This rule is used to determine the Zone/Subzone Assignment for a ZIP Code not listed in the Zone/Subzone definition pages. Please see the manual pages for the revised rule.

N. Minimum Premium

Based on a companywide analysis, we are increasing the minimum premium from \$100 to \$170.

State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Index of Exhibits

Exhibit	Description
1	Calculation of Indicated Rate Level Adjustment
2	Average Premium Per Policy
3	Non-Cat Average Paid Claim and Claim Frequency
4	Adjustments to Paid Loss Ratio
5	Catastrophe Provision
6	Underwriting Expense Exhibit
7	Provision for Underwriting Profit and Contingencies Total Financial Needs Analysis
8	Gross Underwriting Profit or Loss
9	Current and Revised Amount of Insurance Relativities
10	Current and Revised Home Alert Credits
11	Current and Revised Manufactured Stability and Occupancy Credits/Charges
12	Current and Revised Optional Coverage Charges

Exhibit 1
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Indicated Rate Level Adjustment
Policies Effective: 3/15/2012 New 5/1/2012 Renewal

Premiums, Losses and Expenses Per Policy Projected To 5/1/2013

	<u>\$Per Policy</u>	<u>% Of Earned Premium</u>
Earned Premium	787.47	100.0
Non-Catastrophe Incurred Losses and Loss Adjustment Expenses	408.79	51.9
Incurred Losses	336.60	42.7
Incurred Loss Adjustment Expenses	72.19	9.2
Catastrophe Losses and Loss Adjustment Expense	124.38	15.8
Total Losses and Loss Adjustment Expenses	533.17	67.7
Total Underwriting Expenses	211.35	26.8
Fixed Expenses	87.45	11.1
Variable Expenses	123.90	15.7
Total Loss and Expenses	<u>744.52</u>	<u>94.5</u>

Indicated Rate Level Adjustment

The Rate Level adjustment is derived by solving the following formula:

$$IC = ((L + F) / (100 - V - P) - 1) * 100$$

where: IC = Indicated Change to Rate Level

L = Total Loss and Loss Adjustment Expenses

F = Fixed Expenses

V = Variable Expenses

P = Profit and Contingencies

all expressed as a percent of projected earned premium

Solving the equation using the data shown above and a 7.0% provision for profit and contingencies yields:

$$\begin{aligned}
 IC &= (((67.7 + 11.1) / (100 - 15.7 - 7.0)) - 1) \times 100 \\
 &= ((78.8 / 77.3) - 1) \times 100 \\
 &= (1.019 - 1) * 100 \\
 &= 1.9\% \text{ increase}
 \end{aligned}$$

Exhibit 2
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Average Premium Per Policy

Premium per policy for the current calendar year is projected by adjusting actual premium writings to current premium levels to reflect items such as changes in rates, inflation and distributions. The resulting current level written premium is then forecast by estimating the effects the same elements (rates, inflation and distribution changes) will have in future years. Written premium per policy and earned premium per policy are projected to the mid-point of the period proposed rates are to be in effect by straight-line interpolation between the appropriate calendar year forecasts.

I. Premium Adjustments

A. Rate Change Adjustment

Rather than assume a uniform distribution of premium writings by month to determine rates at current rate level, we assign a rate change factor by month and apply the factor to monthly written premium distributions.

Actual written premium per policy is adjusted to current rate level in recognition of the following rate changes.

We have not made any prior Rate changes that would impact this filing.

B. Inflation Adjustment

Actual written premium is further adjusted to reflect inflationary changes. Currently, a 1.0% change in policy amount results in a 0.847% change in policy premium.

The anticipated increase in policy amount and the resulting premium increase are shown below for Arkansas.

	2011	2012	2013	2014
Increase in Policy Amount	1.029	1.029	1.029	1.029
Premium Equivalence Factor	0.847	0.847	0.847	0.847
Resulting Effect on Premium	1.025	1.025	1.025	1.025

C. Adjustments For Anticipated Shifts in Distributions

Written premium per policy is further adjusted to recognize any projected changes in our distribution of business that are not reflected in current data or trends.

	2011	2012	2013	2014
Adjustment Factor	1.000	1.000	1.000	1.000

II. Premium Calculations

A. Current Calendar Year

Historical written premium is adjusted to reflect changes in rate level, inflation and distribution to get an estimate of the current calendar year written premium at current level, by month.

Earned premium is estimated by earning the premium written uniformly over a 13-month period with the first and last month each earning $1/24^{\text{th}}$ and the remaining months each earning $1/12^{\text{th}}$ of the premium written. This produces a more accurate estimate of earned premium than can be produced using the traditional parallelogram method.

Our estimate of 2011 premium per policy is: \$761.95.

This estimate reflects latest actual premium per policy adjusted for items such as current rates and inflation.

B. Subsequent Calendar Years

Each subsequent calendar year's written premium is estimated by applying adjustment factors for inflation and distribution changes to written premium distributions by month for the prior year. Since those written premiums have already been adjusted to current rate level no further rate change adjustment is necessary. Earned premium is estimated in the same manner as above.

Year	Prior Year Written Premium Per Policy	Adjustment Factors		Projected Written Premium Per Policy
		Inflation Coverage	Distribution Change	
2012	761.95	1.025	1.000	781.00
2013	781.00	1.025	1.000	800.52
2014	800.52	1.025	1.000	820.54

C. Period of Proposed Rates

The estimated premium per policy of the period that proposed rates are to be in effect is determined via straight-line interpolation between the appropriate calendar years to the mid-point of the annual period the rates are to be in effect. This is analogous to applying current level premium adjustments to the historical earned premium and a projection factor for inflationary effects.

Calendar Year	Projected Written Premium Per Policy	Projected Earned Premium Per Policy
2012	781.00	771.40
2013	800.52	790.69
5/1/2013	797.26	787.47

Exhibit 3
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Non-Cat All Peril: Frequency, Severity and Pure Premium

Historical Data

Period	Severity	Frequency	Pure Premium
6/2004	3,914	5.67	221.95
9/2004	3,685	5.02	185.02
12/2004	3,468	4.56	158.08
3/2005	3,868	4.69	181.43
6/2005	3,876	5.07	196.37
9/2005	3,975	5.18	205.94
12/2005	4,534	5.13	232.74
3/2006	4,988	5.11	254.86
6/2006	4,769	5.54	264.36
9/2006	4,718	5.33	251.33
12/2006	4,538	5.26	238.51
3/2007	3,820	5.47	208.88
6/2007	3,950	4.48	176.99
9/2007	4,240	4.23	179.34
12/2007	4,097	4.36	178.46
3/2008	4,245	4.19	177.68
6/2008	5,040	4.73	238.36
9/2008	4,941	5.21	257.37
12/2008	5,223	5.21	272.33
3/2009	5,597	5.51	308.67
6/2009	5,054	6.14	310.07
9/2009	5,446	6.32	344.39
12/2009	5,542	6.30	349.03
3/2010	5,310	6.41	340.57
6/2010	5,296	6.06	321.10
9/2010	4,800	5.99	287.60
12/2010	4,710	5.79	272.55
3/2011	4,323	6.44	278.30

Trended Values❖

28 Point	5,803	5.34	309.88
20 Point	5,627	5.45	306.67
12 Point	4,356	5.84	254.39

Selected Values

Selected	5,827	5.76	335.68
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- ❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (5/1/2013).

The historical and selected Pure Premium figures are shown for All Perils. The selected figures are based on an in-depth analysis of Frequency, Severity and Pure Premium separately for each of the perils of Fire, Wind/Hail, OEC, Crime, Section II (Liability). An analysis by peril reveals trends and highlights abnormal results that cannot be determined in an analysis of All Perils data. The results are summed by peril to determine the selected figures shown. This figure is checked against historical Pure Premium data for reasonableness as shown above. The selected Pure Premium figures are consistent with historical data and recent trends.

Exhibit 4
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Adjustments to Non-Catastrophe Paid Loss Ratio

I. Factor to Adjust Non-Cat Paid Loss to Non Cat Incurred Loss

Year	Ratio of Non-Cat Incurred Losses to Non-Cat Paid Losses		
2006	0.6756		
2007	0.9955		
2008	1.0469		
2009	1.0976		
2010	0.8669		
03/2011	1.0286		
3 Year Average	1.0038		
5 Year Average	0.9365		
		Paid Loss Per Policy	Incurred Loss Per Policy
Selected 5/1/2013	1.0027	\$335.68	\$336.60

Non-Catastrophe Incurred Losses Projected To 5/1/2013:

\$336.60

II. Factor to Adjust Non-Cat Incurred Losses to Non-Cat Incurred Loss and Loss Adjustment Expense (includes both Allocated and Unallocated Loss Adjustment Expenses)

	Non-Catastrophe Loss Adjustment Expenses Divided by Incurred Losses				
Year	A.L.A.E.*	U.L.A.E.*	Total		
2006	0.0550	0.3842	0.4392		
2007	-0.0184	0.3119	0.2936		
2008	0.0260	0.2366	0.2625		
2009	0.0298	0.1741	0.2039		
2010	0.0121	0.2067	0.2188		
03/2011	0.0168	0.1819	0.1987		
3 Year Average	0.0226	0.2058	0.2284		
5 year Average	0.0209	0.2627	0.2836		
				Incurred Loss Per Policy	Adj. Expense
Selected 5/1/2013	0.0205	0.1940	0.2145	\$ 336.60	\$ 72.19

Non-Catastrophe Loss Adjustment Expenses Projected To 5/1/2013:

\$ 72.19

* Beginning January 1, 1998, ALAE and ULAE are defined according to the Annual Statement Instructions. ALAE refers to "Claim Adjustment Services" including defense, litigation, and medical cost containment. ULAE refers to all remaining expenses associated with adjusting and recording policy claims.

Exhibit 5
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Catastrophe Provision

For ratemaking purposes, State Farm removes all catastrophe (CAT) losses from our loss data. Each state's CAT losses are analyzed separately and a CAT provision is developed according to the following procedure and used in the ratemaking formula. In those states with a hurricane exposure, a hurricane provision is developed independently.

I. Amount Of Insurance Years Exposure Base

The Amount of Insurance Years statistic (AIY) measures \$1,000's of building insurance in force for one year. For example, a \$100,000 dwelling insured on January 1st and in force continuously for that year equals 100 Amount of Insurance Years. Amount of Insurance Years reflects changing values and represents an accurate measure of our exposure to catastrophic loss.

II. Catastrophe Provision

Manufactured Homes catastrophe data is sparse and variable even on a companywide basis. Therefore, Homeowners data is compared to Manufactured Homes data to establish a Manufactured Homes provision.

To determine the CAT provision, Companywide Manufactured Homes CAT/AIY were compared to Companywide Homeowners CAT/AIY. To account for the fact that the Companywide distribution of exposures for Manufactured Homes may differ from that of Homeowners, the Companywide CAT/AIY for Homeowners is restated, via an exposure distribution adjustment factor, using the exposure distribution, by state, for Manufactured Homes.

The beta value established from this comparison was applied to the Homeowners provision per AIY for Arkansas to generate a provision per AIY for Manufactured Homes.

In choosing the selected CAT/AIY appropriate consideration is given to historical data, future conditions, insurance and economic trends, along with other relevant considerations.

III. Catastrophe Loss & LAE

The Catastrophe Provision determined above is multiplied by projected AIY per policy to determine the CAT Loss & Loss Adjustment Expense (LAE) per policy used in the indicated change calculation.

Exhibit 5 (Continued)

Arkansas Manufactured Homes
Catastrophe Provision

A.	Homeowners CAT/AIY	=	1.4777
B.	Manufactured Homes CAT Beta Factor	=	2.2884
C.	Manufactured Homes CAT/AIY = A x B	=	3.3816
D.	Selected CAT/AIY	=	3.3816
E.	Projected AIY per policy	=	36.78
F.	Catastrophe Loss & LAE per policy (as of 5/1/2013) = D x E	=	124.38

Exhibit 5 (Continued)

Exhibit 5
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Catastrophe Provision

Total Homeowners

2001 – 2010 Amount Of Insurance Years	2001 – 2010 Catastrophe Dollars	Exposure Distribution Adjustment Factor*
26,814,075,651	20,663,255,811	0.84994

Manufactured Homes

2001 – 2010 Amount Of Insurance Years	2001 – 2010 Catastrophe Dollars
223,592,669	335,129,006

$$\text{Selected Beta} = (335,129,006 / 223,592,669) / (20,663,255,811 / 26,814,075,651 * .84994)$$

$$= 2.2884$$

*This factor represents the ratio of the Companywide CAT/AIY for Total Homeowners utilizing the AIY distribution of Manufactured Homes to the Companywide CAT/AIY for Total Homeowners using the Total Homeowners distribution of AIY.

Exhibit 6
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Underwriting Expense Exhibit

I. Variable Expense Ratios As a Percent of Earned Premium

<u>Calendar Year</u>	<u>Variable Expense Ratios</u>
2006	15.5%
2007	16.7
2008	15.8
2009	15.7
2010	15.5
3 Year Average	15.7
5 Year Average	15.8
Selected 2011	15.7
Selected 2012	15.7
Selected 2013	15.7
Selected 2014	15.7
Selected at 5/1/2013	15.7%
Variable Expense Per Policy 5/1/2013	\$123.90

II. Fixed Expenses as Dollars Per Average Policy in Force

<u>Calendar Year</u>	<u>Fixed Expense per Policy</u>
2006	\$78.10
2007	73.52
2008	86.70
2009	78.62
2010	80.00
Selected 2011	84.67
Selected 2012	86.17
Selected 2013	87.70
Selected 2014	89.26
	\$87.45
Selected at 5/1/2013	

III. Total Expenses Per Policy in Force

Total Variable Expense per policy:	\$123.90
Total Fixed Expense per policy:	<u>+ 87.45</u>
Total Expense per policy:	\$211.35

Exhibit 7
State Farm Fire and Casualty Company
Provision for Underwriting Profit and Contingencies

The following analysis demonstrates that the provisions for underwriting profit and contingencies, together with expected investment income, will produce an expected total return after tax for State Farm which is reasonable compared to that earned by other industries of similar risk and will enable the company to serve the insurance needs of its policyholders. These earnings provide the only source of funds for its Policyholder Protection Fund (Surplus), which is essential to State Farm's continued growth and financial strength.

Total Financial Needs Analysis

- A. Property and Casualty insurance premiums traditionally include provisions for normally expected losses and expenses (including an estimate of expected catastrophe losses) and a combined provision for underwriting profit and contingencies. The contingency provision reflects an allowance in the rates for losses and expenses arising from events which cannot be reasonably foreseen or predicted. It thus represents an allowance for adverse fluctuations from the otherwise expected results. The underwriting profit provision reflects the expected difference between earned premiums and incurred losses, expenses, and contingencies. The need for a contingency element in the rates is generally accepted actuarially and recognized in nearly all rating laws. Over the long term, the contingency element will not be realized as an underwriting profit, but will be offset by unanticipated losses and expenses.

State Farm Fire and Casualty Company's direct underwriting profit, before federal taxes, has averaged -7.7%, -5.4% adjusted for catastrophes, (see Exhibit 7A, Columns (2) and (2a)) in the last twelve years (approximately two underwriting cycles). These results were generated during a period when filed rates generally included a combined provision for underwriting profit and contingencies of 2% to 7%, averaging approximately 5% (in hurricane/earthquake states, additional risk provisions may also have been added). Based on the difference between our filed profit and contingencies provisions and our actual results, the contingency element has recently been averaging in excess of 2% of earned premium.

It is thus reasonable to expect that a 11.0% combined provision for **underwriting profit and contingencies** will produce an actual underwriting profit of no more than 9.0%.

- B. **Net Investment Income** (interest, dividends and real estate income) has declined as a percent of mean invested assets from 5.0% in 1999 to 3.8% in 2010 (see Exhibit 7D). Based on an analysis of these decreasing results, it is reasonable to expect a return of 4.0% on invested assets during the time the rates will be in effect.

Capital Gains have fluctuated between -7.6% and 6.1% of mean invested assets over the past twelve years (see Exhibit 7D), with a 12 year average of 0.2% and a 24 year average of 1.4%. The expected contribution of capital gains during the period rates will be in effect is 0.5% of invested assets.

As a result, the **Net Investment Yield** as a percent of invested assets is expected to be 4.5% during the time rates will be in effect.

Exhibit 7
(Continued)
State Farm Fire and Casualty Company

- C. **Other Income**, largely service charges for premium installment plans, has averaged 0.3% of earned premium during the past 12 years (see Exhibit 7A, Column (3)). The expected income during the time the rates will be in effect is 0.5%.
- D. All of these income sources combine to yield a total expected insurance operating profit of approximately 12.6% on earned premium, before tax, as summarized in the table on the following page. This includes the expected investment income attributable to unearned and advance premium reserves and that portion of loss and loss adjustment expense reserves resulting from policyholder supplied funds, as well as underwriting profit.

State Farm Fire and Casualty Company is exposed to large catastrophic losses. Some potential sources for such losses are earthquakes in the New Madrid and the Pacific Northwest areas as well as hurricanes along the Gulf and Mid-Atlantic coasts. On a direct basis (absent of reinsurance), the State Farm Fire and Casualty Company would need capital of at least \$1.00 per dollar of premium to adequately protect its policyholders.

Allowing for the expected investment income attributable to the capital of \$100 per \$100 of premium, the expected total return, after tax, is 12.4% as demonstrated in the following table.

Taking into account the equity in the unearned and advance premium reserve, the expected total return is approximately 10.9% on a GAAP adjusted basis. An expected total return up to 19% is reasonable in comparison to current returns in other industries. Recent median returns reported in Business Week and Fortune magazine average around 11% on a GAAP adjusted basis.

Based on the foregoing, we conclude that a 11.0% combined provision for underwriting profit and contingencies can be expected to produce a reasonable total return during the time the projected rates are to be in effect. If the contingency provision is actually realized as a profit in any year, the expected total return increases to 12.1%. Such a result would still be reasonable and not excessive.

While a 9% underwriting profit provision is supported for the combined State Farm Fire and Casualty Company, we recognize that not all states and segments of business present the same amount of risk to the entire enterprise. For the perils covered in the non-Earthquake lines of business, the Arkansas presents less risk from extreme catastrophe events than the combined State Farm Fire and Casualty Company. As a result, we have selected a targeted profit provision of 5%, which is lower than our combined companywide target. We have also selected a 2% contingency provision, which matches our companywide provision.

We expect a 7% combined provision for profit and contingencies to produce an actual underwriting profit of no more than 5%.

Exhibit 7
State Farm Fire and Casualty Company
All Lines Combined

Expected Total Return

Premium = \$100

Assumed Capital = \$100

1)	Expected Contribution from a 2% Provision for Contingencies: \$100 x .000 (Item A above)	\$ 0.00
2)	Underwriting Profit Provision	\$ 9.00
3)	Investment Income on Unearned and Advance Premium Reserves \$100 x (Exhibit 7B, Line 7)	\$ 1.20
4)	Investment Income on Loss and LAE Reserves \$100 x (Exhibit 7C, Line 6)	\$ 1.90
5)	Other Income \$100 x (Item C above)	\$ 0.50
6)	Expected Insurance Operating Profit, Before Tax	\$ 12.60
7)	Investment Income on Capital \$100 x (Exhibit 7D, Selected Investment Yield)	\$ 4.50
8)	Federal Income Tax equals greater of: (Lines 1 + 2 + 5) x 20% + (Lines 3 + 4 + 7) x (Exhibit 7E AMT Tax Rate) and (Lines 1 + 2 + 5) x 35% + (Lines 3 + 4 + 7) x (Exhibit 7E Reg Tax Rate)	\$ 4.74
9)	Expected Total Return	\$ 12.36
10)	Expected Total Return as a Percent of Capital Line 9 / \$100	12.4%
11)	GAAP Adjusted Return Line 10 / (Exhibit 7F, Line 5)	10.9%

Exhibit 7A
State Farm Fire and Casualty Company
All Lines Combined

Companywide Insurance Operations

Year (1)	U/W Gain/Loss		Other Income (3)
	Actual (2)	Adjusted (2a)	
1999	-11.7%	-11.3%	0.1%
2000	-20.3%	-20.2%	0.2%
2001	-33.8%	-29.3%	0.0%
2002	-15.8%	-18.7%	0.2%
2003	7.6%	4.8%	0.5%
2004	17.4%	8.1%	0.4%
2005	-18.3%	6.4%	0.4%
2006	5.1%	3.6%	0.5%
2007	4.1%	-1.0%	0.4%
2008	-20.0%	-4.7%	0.5%
2009	-5.0%	-4.0%	0.4%
2010	-2.4%	2.0%	0.4%
Mean	-7.7%	-5.4%	0.3%
Std Dev	14.7%	12.0%	0.2%

All Columns are percentages of earned premium.

All Columns are percentages before federal taxes.

- (2) Insurance Expense Exhibit, Part III, Column 3 less Columns 7, 9, 11, 23, 25, 27, and 29, Line 35 less Lines 2.2, 2.3, 19 and 21 divided by Insurance Expense Exhibit, Part III, Column 3 Line 35 Less Lines 2.2, 2.3, 19 and 21 plus Change in Prepaid Expenses and Miscellaneous Changes Related to Insurance Operations.
- (2a) Equals Column (2) adjusted to smooth for the effects of catastrophe losses. Actual catastrophe losses are removed and replaced with the losses contemplated in our current catastrophe provision.
- (3) Insurance Expense Exhibit, Part III, Column 31, Line 35 less Lines 2.2, 2.3, 19 and 21 divided by Column 3, Line 35 less Lines 2.2, 2.3, 19 and 21, excluding insurance department fines, penalties, and miscellaneous income.

Exhibit 7B
State Farm Fire and Casualty Company
All Lines Combined

**Estimated Investment Income from Reserve for
Unearned Premium and Advance Premiums**

(1) Mean Reserve for Unearned and Advance Premiums, as a Ratio to Earned Premium	<u>All Lines</u>
(a) 2008	0.5283
(b) 2009	0.5322
(c) 2010	<u>0.5309</u>
(d) 3 Year Average	0.5305
(2) Delayed Remission of Premiums	
Ratio of Agents' Balances or Uncollected Premium to Unearned Premium and Advance Premiums	25.3%
(3) Expenses Incurred at Beginning of Policy Term (as a % of Written Premium)	
(a) Commissions and Other Acquisition Expenses	21.5%
(b) 50% of General Expenses	1.5%
(c) Taxes	2.4%
(d) Total	25.4%
(4) Mean Unearned Premium and Advance Premium Reserve Adjusted for Agents' Balances, Uncollected Premiums, and Prepaid Expenses	
(1d) * (1.000 - (2) - (3d))	0.2615
(5) Adjusted for Tax on Prepaid Expenses	
(4) - (1d) * 3% * 0.20 * 35%	0.2604
(6) Investment Yield, before Tax	4.5%
(7) Investment Income, as a % of Earned Premium	1.2%
(5) * (6)	

DATA SOURCES:

- Item 1 - Insurance Expense Exhibit, Part III, Columns 3 and 19, Line 35 less
Lines 2.2, 2.3, 19 and 21 plus Annual Statement, Page 3, Line 10
- Item 2 - Insurance Expense Exhibit, Part III, Columns 19 and 21, Line 35 less
Lines 2.2, 2.3, 19 and 21 plus Annual Statement, Page 3, Line 10
- Item 3 - Insurance Expense Exhibits 2008-2010 (three year average of the mean ratios)
- Item 5 - Assumes the unearned premium reserve will increase at a growth rate of
3%; 0.20 is the IRS prepaid expenses factor; 35% is the current
effective tax rate on underwriting income.
- Item 6 - From Exhibit 7D

Exhibit 7C
State Farm Fire and Casualty Company
All Lines Combined

**Estimated Investment Income from Reserve for
Losses and Loss Adjustment Expenses**

(1) Mean Reserve for Losses and Loss Adjustment Expense, as a Ratio to Incurred Losses and Loss Adjustment Expenses	<u>All Lines</u>
(a) 2006	0.7384
(b) 2007	0.6932
(c) 2008	0.5592
(d) 2009	0.6813
(e) 2010	<u>0.6619</u>
(f) 5 Year Average	0.6668
(2) Permissible Loss and LAE (% Earned Premium) (1.0000 - Expense Ratio - Underwriting Profit Provision)	63.5%
(3) Mean Reserves for Losses and Loss Adjustment Expenses as a Ratio to Earned Premium (2) * (1f)	0.4234
(4) Adjusted for Tax on Discounted Reserves (3) - (3) * 6% * 6.4% * 35%	0.4228
(5) Investment Yield, before Tax	4.5%
(6) Estimated Investment Income from Losses and Loss Adjustment Expense Reserves (as a % of Earned Premium) (4) * (5)	1.9%

DATA SOURCES:

- Item 1 - Insurance Expense Exhibit, Part III, Columns 7, 9, 11, 13, 15, and 17, Line 35 less Lines 2.2, 2.3, 19 and 21.
- Item 2 - 1.0000 minus provision for expenses and underwriting profit. Expense provision is the latest five year average of commissions, other acquisition, general expenses, and taxes, licenses, and fees from the Insurance Expense Exhibit.
- Item 4 - To recognize tax resulting from discounting of reserves; 6% is the estimated growth in loss reserves; 6.4% is the average discount of reserves; 35% is the current effective tax rate on underwriting income.
- Item 5 - From Exhibit 7D

Exhibit 7D
State Farm Fire and Casualty Company
All Lines Combined

Investment Rate of Return
As a Percent of Mean Invested Assets

<u>Year</u>	<u>Net Investment Income</u>	<u>Capital Gain/Loss</u>
1999	5.0%	3.0%
2000	4.9%	-0.2%
2001	4.8%	-2.9%
2002	4.7%	-7.6%
2003	4.6%	6.1%
2004	4.4%	1.3%
2005	4.5%	0.2%
2006	4.5%	3.0%
2007	4.3%	1.5%
2008	4.3%	-6.1%
2009	4.1%	2.6%
2010	3.8%	1.0%
Latest 24 Year Average	5.7%	1.4%
Latest Twelve Year Average	4.5%	0.2%
Latest Six Year Average	4.2%	0.3%
Selected 2011	4.0%	0.5%
Selected Investment Yield	4.5%	

= Sum of Line 4 (Net Investment Income + Capital Gain/Loss)

Data Source: Annual Statement, Pages 2 and 12

Exhibit 7E
State Farm Fire and Casualty Company
All Lines Combined

Average Federal Tax Rate on Investment Income

Investment Type	Investment Income 2008 through 2010	Distribution	Current Tax Rate	
			Regular	AMT
Bonds (Taxable)	\$ 1,171,182,765	40.8%	35.0%	20.0%
Bonds (Tax Exempt)	1,347,870,033	47.0%	5.3%	15.8%
Stocks (Unaffiliated)	326,798,696	11.4%	14.2%	17.0%
Other (Net of Depreciation)	24,290,145	0.8%	35.0%	20.0%
Total	\$ 2,870,141,639		18.7%	17.7%

Item Sources:

Investment Income from Annual Statement, Page 12, Exhibit of Net Investment Income

Current Tax Rate computed according to the 1986 Tax Reform Act, as amended:

Under this Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thirty percent of stock dividends are taxed at 35% and seventy percent are taxed at 15% of 35%. Thus, the estimated effective tax rate will be:

Ordinary Income	35.0%
Tax Exempt Bonds	5.3% = $.15 \times 35\%$
Stock Dividends	14.2% = $(.30 + (.70 \times .15)) \times 35\%$

AMT is computed according to the 1986 Tax Reform Act Alternative Minimum Tax:

Under the Alternative Minimum Tax, a rate of 20% applies to the sum of regular tax income and 75% of tax exempt income. The estimated effective AMT will be:

Ordinary Income	20.0%
Tax Exempt Bonds	15.8% = $(.15 + (.85 \times .75)) \times 20\%$
Stock Dividends	17.0% = $[.30 + .70 \times (.15 + (.85 \times .75))] \times 20\%$

Exhibit 7F
State Farm Fire and Casualty Company
All Lines Combined

Expected Total Return - Adjustment to GAAP

	Item	Amount (,000's)	Source (Annual Statement)
(1)	12/31/2010 Assumed Capital (Based on \$1 Ratio to Direct Written Premium)	\$ 14,278,107	IEE, Part III, Line 35, Column 1 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 1
(2)	Non-Admitted Assets	20,699	Page 13, Line 28, Column 1
(3)	Equity in the Unearned and Advance Premium Reserve	1,895,728	(h)
(4)	Total Adjustments	1,916,427	(2) + (3)
(5)	GAAP Surplus Adjustment Factor	1.1342	((4) + (1)) / (1)

Calculation of Equity in the Unearned and Advance Premium Reserve

	Item	Amount (,000's)	Source (Annual Statement)
(a)	Commissions and Brokerage Expense Incurred	2,143,758	IEE, Part III, Line 35, Column 23 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 23 plus Part I, Line 3, Column 2
(b)	Taxes, License & Fees Incurred	338,926	IEE, Part III, Line 35, Column 25 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 25
(c)	Other Acquisition Expenses Incurred	889,656	IEE, Part III, Line 35, Column 27 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 27 less Part I, Line 3, Column 2
(d)	General Expenses Incurred	411,081	IEE, Part III, Line 35, Column 29 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 29
(e)	Total	3,577,881	(a) + (b) + (c) + 1/2 (d)
(f)	2010 Written Premium	14,278,107	IEE, Part III, Line 35, Column 1 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 1
(g)	2010 Ending Unearned and Advance Premium Reserve	7,565,207	IEE, Part III, Line 35, Column 19 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 19 and Page 3, Line 10, Column 1
(h)	Equity in the Unearned and Advance Premium Reserve	1,895,728	(g) * ((e) / (f))

Exhibit 8
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Gross Underwriting Profit or Loss on a Statutory Basis

Arkansas						
Year	Earned Premium	Non-Cat Loss Ratio	Catastrophe Loss Ratio	Total Loss Ratio	Expense Ratio	Actual Combined Ratio
2006	5,849,274	32.4%	21.6%	54.0%	26.4%	80.4%
2007	5,910,207	31.5%	-1.3%	30.2%	27.5%	57.7%
2008	5,999,989	49.1%	80.1%	129.2%	27.8%	157.0%
2009	6,132,296	62.1%	38.4%	100.5%	26.3%	126.8%
2010	6,196,595	39.1%	6.2%	45.3%	24.7%	70.0%
06-10	30,088,361	43.0%	29.0%	72.0%	26.6%	98.6%

Companywide						
Year	Earned Premium	Non-Cat Loss Ratio	Catastrophe Loss Ratio	Total Loss Ratio	Expense Ratio	Actual Combined Ratio
2006	264,147,908	47.5%	8.2%	55.8%	26.9%	82.6%
2007	270,394,266	49.3%	10.1%	59.4%	26.7%	86.1%
2008	274,078,624	54.5%	39.8%	94.3%	27.4%	121.7%
2009	275,479,908	56.8%	11.9%	68.7%	27.6%	96.4%
2010	275,420,050	54.4%	15.9%	70.3%	27.4%	97.7%
06-10	1,359,520,756	52.6%	17.3%	69.8%	27.2%	97.0%

Expense Ratios include Agents' Commissions, Taxes, Other Acquisition and General Expenses.

Loss Ratios include Adjustment Expense.

Totals may not add due to rounding.

Exhibit 9
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Current and Revised Amount of Insurance Relativities

Amount	Current Relativity*	Revised Relativity
\$1	N/A	2.155
\$4,000	2.052	2.155
\$8,000	1.457	1.530
\$10,000	1.340	1.407
\$15,000	1.151	1.209
\$20,000	1.078	1.132
\$25,000	1.026	1.078
\$30,000	1.000	1.000
\$35,000	0.980	0.931
\$40,000	0.966	0.917
\$45,000	0.954	0.906
\$50,000	0.945	0.897
\$55,000	0.937	0.890
\$60,000	0.931	0.884
\$65,000	0.929	0.883
\$70,000	0.925	0.878
\$75,000	0.920	0.874
\$100,000	0.910	0.865
\$150,000	0.899	0.854
Each Additional \$1,000	0.881	0.837

* Current Relativities are not printed in the manual today. These factors are derived from the pre-printed base premiums.

Exhibit 10
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Current and Revised Manufactured Home Alert Credits

Manufactured Home Alert	Current	Revised
Fire Extinguisher or Fire or Smoke Local Alarm	-2%	-2%
Fire Extinguisher and Fire or Smoke Local Alarm	-4%	-4%
Burglar Alarm System	-3%	-3%
Fire Alarm Reporting to Fire Department or Central Station	N/A	-4%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer	-4%	-4%
Fire or Smoke Alarm and Burglar Alarm System	-5%	-5%
Fire or Smoke Alarm and Dead Bolt Locks and Fire Extinguisher	-5%	-5%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer and Dead Bolt Locks and Fire Extinguisher	-7%	-6%
Burglar Alarm System and Fire or Smoke Local Alarm and Dead Bolt Locks and Fire Extinguisher	-7%	-6%
Fire and/or Burglar Alarm Reporting to either Fire Dept., Police Dept. or Central Station and Dead Bolt Locks and Fire Extinguisher	-15%	-10%

Exhibit 11
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Current and Revised Manufactured Stability and Occupancy Credits/Charges

Stability	Current	Revised
Secured	-11%	0%
Not Secured	0%	0%

With earthquake data removed from our analysis and an underwriting requirement for Manufactured Homes to be secured or tied-down, the data no longer supports the rate differential currently in place.

Park Class	Occupancy	Current	Revised
1	Standard	0%	0%
	Seasonal/Secondary	50%	25%
	Rental	73%	50%
	Travel Trailers	73%	25%
	Seasonal Travel Trailers	50%	25%
2	Standard	0%	0%
	Seasonal/Secondary	15%	0%
	Rental	15%	10%
	Travel Trailers	15%	0%
	Seasonal Travel Trailers	15%	0%

Exhibit 12
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Current and Revised Optional Coverage Charges

Coverage	Limit	Deductible	Current	Revised	
Jewelry and Furs	\$2,500	\$500	12	12	
		\$1,000	10	12	
		\$2,000	8	12	
	\$5,000	\$500	21	21	
		\$1,000	17	21	
		\$2,000	15	21	
Firearms		\$500	7	7	
		\$1,000	6	7	
		\$2,000	5	7	
Silverware and Goldware	\$5,000	\$500	8	10	
		\$1,000	6	10	
		\$2,000	6	10	
	\$7,500	\$500	16	16	
		\$1,000	13	16	
		\$2,000	11	16	
	\$10,000	\$500	24	25	
		\$1,000	19	25	
		\$2,000	17	25	
Coverage B - Personal Property	Increased Limits	Per \$1,000	\$500	0.45	0.50
		\$1,000	0.36	0.50	
		\$2,000	0.32	0.50	
Dwelling Extension - Other Structures	Increased Limits	Per \$1,000	\$500	6.00	3.50
		\$1,000	4.85	3.50	
		\$2,000	4.20	3.50	
Dwelling Extension - Off Premises Structures		\$500	22	22	
		\$1,000	18	22	
		\$2,000	15	22	
Home Computers		\$500	13	13	
		\$1,000	11	13	
		\$2,000	9	13	
Business Property	Increased Limits	\$2,500	\$500	12	12
		\$1,000	10	12	
		\$2,000	8	12	
		\$5,000	\$500	17	17
			\$1,000	14	17
			\$2,000	12	17
Medical Payment Limits		\$2,000		3	3
		\$3,000		5	5
		\$4,000		7	7*
		\$5,000		9	9
		\$10,000		N/A	15
Incidental Business		\$100,000		14	23
		\$300,000		16	26
		\$500,000		18	29
		\$1,000,000		21	34
		\$2,000,000		32	54
		\$3,000,000		44	75
		\$4,000,000		53	95
		\$5,000,000		59	116
Nurses' Liability		\$100,000		20	23
		\$300,000		24	28
		\$500,000		26	31
		\$1,000,000		30	35
		\$2,000,000		45	53
		\$3,000,000		63	75
		\$4,000,000		75	89
		\$5,000,000		84	100
Solid Fuel Appliance				N/A	20
Waterbed Liability				20	25

*For Renewals Only

Exhibit 12
State Farm Fire and Casualty Company
Arkansas Manufactured Homes
Current and Revised Optional Coverage Charges

Coverage		Limit	Deductible	Current	Revised
Child Care	1-3	\$100,000		50	60
	1-3	\$300,000		65	78
	1-3	\$500,000		70	90
	1-3	\$1,000,000		81	110
	1-3	\$2,000,000		128	176
	1-3	\$3,000,000		179	242
	1-3	\$4,000,000		213	308
	1-3	\$5,000,000		238	374
	4	\$100,000		75	75
	4	\$300,000		90	96
	4	\$500,000		95	113
	4	\$1,000,000		110	133
	4	\$2,000,000		165	213
	4	\$3,000,000		231	293
	4	\$4,000,000		275	373
	4	\$5,000,000		308	453
	5	\$100,000		75	90
	5	\$300,000		90	116
	5	\$500,000		95	135
	5	\$1,000,000		110	165
	5	\$2,000,000		165	264
	5	\$3,000,000		231	363
	5	\$4,000,000		275	462
	5	\$5,000,000		308	561
	6	\$100,000		75	105
	6	\$300,000		90	140
	6	\$500,000		95	158
	6	\$1,000,000		110	189
	6	\$2,000,000		165	302
	6	\$3,000,000		231	416
	6	\$4,000,000		275	529
	6	\$5,000,000		308	643
Business Pursuits		\$100,000		7	7
		\$300,000		9	9
		\$500,000		10	10
		\$1,000,000		12	12
		\$2,000,000		18	19
		\$3,000,000		25	26
		\$4,000,000		30	34
		\$5,000,000		34	41
Personal Injury		\$100,000		10	10
		\$300,000		13	13
		\$500,000		16	16
		\$1,000,000		24	24
		\$2,000,000		36	38
		\$3,000,000		50	53
		\$4,000,000		60	67
		\$5,000,000		67	82